

The following information will help you understand the audit and appeal process of the Utah State Tax Commission. For more information, email: taxmaster@utah.gov .

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Tax Commission Auditing Division

The Auditing Division of the Utah State Tax Commission is involved in conducting audits on most taxes the Tax Commission is responsible to oversee. Through this overall audit effort, the division is working on a series of programs aimed at providing information to businesses in an effort to make compliance easier. Two of these programs are the Self-Review and the Voluntary Disclosure Programs, which help businesses and individuals become compliant with the tax laws in a helpful and relatively simple manner. For more information regarding these programs refer to the links below:

- [Self-Review](#)
- [Voluntary Disclosure](#)

Employment Opportunities



For employment opportunities with the Auditing Division and other job opportunities with the Utah State Tax Commission see options below:

- [Auditing Division Opportunities](#)

- [State Job Listing](#)

Opening Conference

An opening conference is a meeting held at the taxpayer's place of business between the taxpayer scheduled for audit and one or more representatives from the Auditing Division. During the conference, the taxpayer is told about the Utah Taxpayer Bill of Rights and receives an explanation of the audit process. The scope of the audit will be explained, including which types of taxes will be examined, which time periods will be covered, and which types of records will be reviewed during the audit. In addition, auditors may request a tour of the taxpayer's facilities.

The taxpayer has the following rights in all audit interviews:

1. The conference shall be reasonably scheduled. Whenever possible, the Tax Commission will comply with the taxpayer's schedule to conduct the opening conference.
2. The taxpayer may record the opening conference.
3. The taxpayer may have an attorney or any other representative with power of attorney represent them at an opening conference.

Division Conference

Sometimes, a taxpayer may have questions or concerns about an ongoing audit. The taxpayer may, at any time during the audit process, speak with the auditor handling the audit, or ask to meet with the auditor's supervisor to resolve any particular problem.

Preliminary Notice

A Preliminary Notice is a letter from the Auditing Division that describes the findings of the audit, and may contain a tax assessment if the audit discovered an underpayment of tax.

This notice is not a final assessment. The taxpayer has 25 days in which to review the findings and discuss them informally with the Auditing Division. If the taxpayer needs more than the 25 days allowed to review the findings with the Division, the taxpayer may request an extension of time.

Following the 25 days, if an extension of time has not been granted, a Statutory Notice will be issued. The Statutory Notice is a legal and binding assessment of the tax liability.

If the taxpayer agrees with the adjustments proposed in the Preliminary Notice, the taxpayer has the option of paying the tax assessment during this phase of the notice process and thereby stopping the accrual of interest.

Statutory Notice

Following the completion of an audit, the taxpayer will receive a Statutory Notice unless full payment was received on the Preliminary Notice. The Statutory Notice is a legal and binding assessment of the taxpayer's tax liability.

Protecting Appeal Rights

If a taxpayer does not agree with the adjustments proposed on the Statutory Notice, the taxpayer must submit an appeal in writing within the 30-day time frame. If an appeal is not filed with the Tax Commission's Appeals Unit within the required 30 days, the Statutory Notice becomes a final assessment and full payment is due.

Appeals to the Tax Commission

Complete information about appealing to the Tax Commission can be found on the [Office of the Commission, Appeals Unit page](#).

Mediation Process

In addition to the standard litigation process, the Tax Commission also offers mediation using trained mediators. Here are a few concepts that control or define the mediation process.

- Mediation is a process in which a neutral third party, called a mediator, helps parties in a

dispute work together toward a mutually acceptable resolution of their problem.

- Mediation is usually voluntary, although occasionally the parties may have signed a pre-dispute mediation agreement that requires them to submit their dispute to mediation.
- Mediation is always non-binding. The mediator has no authority to impose a binding result on the parties.
- Mediation typically consists of informal joint and separate meetings with the mediator in which the mediator helps the parties move toward settlement, if they choose to do so.
- The parties retain control over the mediation process as well as over the result of the mediation sessions. If the parties do not reach a mutually acceptable agreement, they are free to pursue other resolution processes, such as litigation.
- Most mediated disputes settle, either during the mediation process or shortly thereafter.

To request mediation in a current or future Tax Commission appeal, contact the Appeals Unit at (801) 297-2280.

Criminal Investigation

The Utah State Tax Commission has a criminal investigation unit to prosecute those who willfully evade Utah's tax laws.

This unit, trained in the detection of tax fraud, receives information from the Tax Commission's Auditing Division and other sources, and determines whether underpayments of tax may constitute a pattern of criminal fraud by individuals or businesses.

This effort is aided by the Utah Attorney General's office, which has dedicated a full-time attorney to prepare and prosecute criminal tax cases in the state courts.